

## **Exhibit G**

Erik Schultz

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IN THE UNITED STATES DISTRICT COURT

FOR THE DISTRICT OF MASSACHUSETTS

VOLUME II

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IN RE: PHARMACEUTICAL : MDL NO. 1456  
INDUSTRY AVERAGE WHOLESALE : MASTER FILE NO.  
PRICE LITIGATION : 01CV12257-PBS  
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Continuation of the videotaped  
deposition of ERIK SCHULTZ was taken, pursuant to  
notice, at COURTYARD PHILADELPHIA AIRPORT, 8900  
Bartram Avenue, Philadelphia, Pennsylvania on  
Thursday, February 16, 2006, beginning at 9:25  
a.m., before M. Kathleen Muino, Professional  
Shorthand Reporter, Notary Public, and Michael  
Mullin, Videographer, there being present:

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Henderson Legal Services  
(202) 220-4158

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1 stuff --

2 Q. Well --

3 A. -- that I shouldn't be disclosing, right?

4 Q. Let -- let -- let -- let -- let me back  
5 up. In the --

6 A. She's going.

7 Q. -- pricing --

8 A. -- to slap --

9 Q. No. In the pricing strategy department,  
10 was there a strategy for dealing with the issues  
11 raised in the OIG investigation?

12 A. No.

13 Q. With regard to the brand team, did you  
14 have an understanding of a strategy that existed  
15 with respect to the OIG investigation?

16 MS. LAWSON: Object to form.

17 MS. SCHECHTER: Can you repeat the  
18 question.

19 - - -

20 (Whereupon, the previous question was  
21 read back.)

22 - - -

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1 THE WITNESS: Could you define  
2 strategy?

3 BY MR. WEXLER:

4 Q. Sure. There was an OIG investigation  
5 into some wrongdoing with respect to physician  
6 sampling and other sales techniques. What was  
7 being done at the company to deal with that?

8 MS. LAWSON: Object --

9 BY MR. WEXLER:

10 Q. Outside of the legal department, I mean,  
11 which --

12 MS. SCHECHTER: And do you mean --

13 THE WITNESS: And --

14 MS. SCHECHTER: -- now --

15 THE WITNESS: -- specifically --

16 MS. SCHECHTER: -- specifically --

17 THE WITNESS: -- the brand --

18 MS. SCHECHTER: -- brand --

19 THE WITNESS: -- team, right?

20 BY MR. WEXLER:

21 Q. Well, we'll start with the brand team,  
22 yeah.

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1 A. Sort of begging for the other question,  
2 wasn't I? The brand team took a conservative  
3 stance. I don't believe that really defines a  
4 strategy. That's the best answer I can give you.

5 Q. And what do you mean by conservative  
6 stance?

7 A. They didn't want to piss anyone off  
8 further. They knew they were under scrutiny. Lay  
9 low. I can't give you specifics.

10 Q. Now, what -- what do you mean by lay low?

11 A. If you've never heard the term, I best --  
12 I think I could only use an analogy to explain  
13 what it means and I...

14 Q. Why don't you use it. I mean, I have  
15 heard the term and I have an understanding, but I  
16 think I want -- I want to have a clear  
17 understanding of what you mean. So if you want to  
18 use the analogy, go ahead.

19 A. Well, let's just say, as I mentioned,  
20 they were under scrutiny, they knew they were  
21 under scrutiny, there was -- they were already  
22 being investigated, there were already -- well,

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1     okay. I -- I'll -- if you got a -- you know, a  
2     dog barking and running around you, you know, the  
3     last thing you want to do is try and kick it.  
4     It's already excited and angered, so they wanted  
5     to lay low like not kicking the dog.

6     Q.           Did -- did the investigation affect what  
7     you did in any way?

8     A.           Could you rephrase the question?

9     Q.           Yeah. It -- did -- did it have any  
10    impact on what you did in -- in the course of your  
11    work at the company?

12    A.           Not at the time.

13    Q.           Did it at some time?

14    A.           Yes.

15    Q.           At what time?

16    A.           In later years, when they wanted to --  
17    they looked at changing the price. I was not  
18    supportive of that.

19    Q.           Could you be more specific? What -- what  
20    do you mean they looked at changing the price?

21    A.           Oh, I believe earlier you asked about the  
22    spreads and what type of -- what it would mean if

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1 you changed certain price points, and that was a  
2 constant request for -- to evaluate those  
3 scenarios, and I, frankly, was not very  
4 cooperative in those efforts because I didn't  
5 think it was a wise choice.

6 Q. You didn't think it was a wise choice  
7 vis-a-vis the OIG investigation?

8 A. Well, just in -- I didn't agree with the  
9 principle in general, and certainly the OIG  
10 investigation only inflamed that because it raised  
11 the likelihood that unethical actions would be  
12 discovered.

13 Q. When you say you didn't agree with the  
14 principle in general, what principle are you  
15 talking about?

16 A. In paying doctors more money -- trying to  
17 pay doctors more money to prescribe more product.  
18 Competing on finances. It make no sense from a  
19 pricing strategy standpoint or an ethical one.

20 Q. Did you make your views known?

21 A. (Indicating.)

22 Q. Did you make your views known?

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1 A. Yes.

2 Q. To who?

3 A. Pretty much everybody who asked me to do  
4 that type of work.

5 Q. Would that have included Mr. Freeberry?

6 A. He never asked me. But he knew my views.

7 Q. Who asked you to do that type of work  
8 then?

9 A. The brand teams, senior leaderships.

10 Q. Did -- did your view prevail?

11 A. I don't know that it was because of me,  
12 but yes.

13 Q. And what time frame are we talking about?

14 A. The entire time I was at AstraZeneca. I  
15 don't believe they ever made a change to list  
16 price. We did increase the terms to physicians at  
17 one point, in maybe 2004, if I remember, perhaps  
18 2003, and I think they may have changed discount  
19 levels towards my departure in 2005, somewhere  
20 there.

21 Q. Was the changing of discount levels and  
22 increasing terms something that you objected to



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1 for the ethical reasons that you described before?

2 A. The discount levels, yes; terms, I was  
3 less so opposed.

4 Q. What do you mean by terms?

5 A. If you put money on your credit card, you  
6 have to pay it back within a certain time frame --

7 Q. Uh-huh?

8 A. -- as do the doctors who receive credit  
9 when they purchase Zoladex. To extend those terms  
10 makes it more convenient for physicians to buy the  
11 patient -- I -- the reason I objected less is  
12 because it increased patient access to the drug.  
13 It was also -- the competitors were providing  
14 better terms, thus it was evening the playing  
15 field in a way that was less related to  
16 profitability than what the teams usually looked  
17 at, physician profitability, I mean, of course.

18 Q. Okay. Could you take a look at Exhibit  
19 Schultz 001

20 again and -- and -- yeah. On the bottom right  
21 hand, you'll see a number.

22 A. One.

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1 Q. Nah. That's --

2 A. 06 --

3 Q. (Unintelligible.)

4 A. -- 89 --

5 Q. (Unintelligible.)

6 A. -- 131?

7 Q. Yes. Can you turn to 9133?

8 A. Yes.

9 Q. Okay. Now, in the last paragraph, I -- I  
10 -- I assume this is a description of what CMS was  
11 permitting manufacturers to submit in support of a  
12 higher reimbursement rate?

13 A. It appears that way.

14 Q. All right. Now, in the last paragraph,  
15 the second sentence says: Manufacturer of a drug  
16 may submit data and information supporting the use  
17 of a different percentage of the April 1, 2003 --

18 A. Uh-huh.

19 Q. -- AWP?

20 A. Uh-huh.

21 Q. Where would the manufacturer have derived  
22 the April -- or from where would the manufacturer